

D.P.U. 95-111

Application of Massachusetts Electric Company under the provisions of G.L. c. 164, § 94G for approval by the Department of Public Utilities of the Company's annual performance program relating to fuel procurement and use for the year 1996.

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FOR: MASSACHUSETTS ELECTRIC COMPANY
Applicant

On September 26, 1995, pursuant to G.L. c. 164, § 94G(a), Massachusetts Electric Company ("MECo" or "Company") filed with the Department of Public Utilities ("Department") its 1996 performance program. Section 94G(a) requires each electric company to file with the Department annual performance programs that provide for the efficient and cost-effective operation of its generating units. Each company's performance program must include proposed unit and system performance goals for availability factor, equivalent availability factor, capacity factor, forced outage rate, and heat rate. The filing was docketed as D.P.U. 95-111.

MECo is a subsidiary of the New England Electric System. The Company owns no generating units and receives power on an all-requirements basis from the New England Power Company ("NEP"), the power supply subsidiary of NEES. MECo serves approximately 950,000 customers in more than 146 cities and towns across Massachusetts.

The Company's filing included a sworn affidavit of the Company's president, John H. Dickson, with respect to the Company's ownership and entitlement to the output of electric generating units. The affidavit was filed in lieu of a proposal of performance goals, in compliance with Department orders in D.P.U. 1631-B (1983), D.P.U. 84-202 (1984), D.P.U. 87-183 (1987), D.P.U. 92-213 (1992), D.P.U. 93-174 (1993), and D.P.U. 94-166

(1994). The affidavit states that the Company does not own any electric generating units and does not have a contractual right to the power generated by any specific unit, with the exception of power supplied by various cogenerators and small power producers.

In D.P.U. 84-202 (1984), the Department found that MECo's responsibility for proposing performance goals would be satisfied by the Company's sworn affidavit that MECo does not own or operate any unit or have the contractual right to power generated by any specific unit, in lieu of any proposed performance goals. The Department also found that the intent of § 94G with regard to performance program goals is satisfied by MECo's filing of the affidavit.

The Company's September 26, 1995 filing conforms to the Department's Order in D.P.U. 84-202. We find the filing to be acceptable. The Company should note, however, the provision requiring the Company to propose performance goals in its next performance program should the Company own or operate a unit or acquire a contractual right to the power generated by a specific unit. The Company must also continue to obtain unit performance data from its affiliate, NEP, and file monthly data and calculations regarding the performance of NEP's units as required by the Department.

Accordingly, after due consideration, it is

ORDERED: That Massachusetts Electric Company file all future performance programs in conformance with the requirements set forth in D.P.U. 84-202; and it is

FURTHER ORDERED: That Massachusetts Electric Company next file its performance program on September 26, 1996, and that the next performance period shall run from January 1, 1997 through December 31, 1997.

By Order of the Department,

Mary Clark Webster, Commissioner

Janet Gail Besser, Commissioner